

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT
OF
CLINTON COUNTY CONTRACTUAL PUBLIC LIBRARY
CLINTON COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/31/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Result and Comment:	
Appropriations.....	6
Exit Conference.....	7
Official Response	8-9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Claude W. Caddell	01-01-06 to 08-31-07
	Michelle Bradley (Interim)	09-01-07 to 12-31-07
	Michelle Bradley	01-01-08 to 12-31-08
Treasurer	Carolyn A. Sharp	01-01-06 to 12-31-08
President of the Board	Chester Banks	01-01-06 to 03-31-08
	Gene Marshall	04-01-08 to 12-31-08



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CLINTON COUNTY CONTRACTUAL
PUBLIC LIBRARY, CLINTON COUNTY, INDIANA

We have examined the financial information presented herein of the Clinton County Contractual Public Library (Library), for the period of January 1, 2006 to December 31, 2007. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 1, 2008

CLINTON COUNTY CONTRACTUAL PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 33,267	\$ 656,849	\$ 657,329	\$ 32,787
Rainy Day	21,526	-	-	21,526
Levy Excess	5,852	12,490	18,342	-
Library Improvement Reserve	<u>223,322</u>	<u>21,366</u>	<u>161,836</u>	<u>82,852</u>
Totals	<u>\$ 283,967</u>	<u>\$ 690,705</u>	<u>\$ 837,507</u>	<u>\$ 137,165</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 32,787	\$ 410,476	\$ 264,585	\$ 178,678
Rainy Day	21,526	-	-	21,526
Grant	-	288,533	274,107	14,426
Library Improvement Reserve	<u>82,852</u>	<u>-</u>	<u>33,729</u>	<u>49,123</u>
Totals	<u>\$ 137,165</u>	<u>\$ 699,009</u>	<u>\$ 572,421</u>	<u>\$ 263,753</u>

The accompanying notes are an integral part of the financial information.

CLINTON COUNTY CONTRACTUAL PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Subsequent Event

In 2007, the Library received a \$500,000 Community Development Block Grant for the construction of a new library branch building project to be located in Michigantown, IN. This project was completed in 2008.

CLINTON COUNTY CONTRACTUAL PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

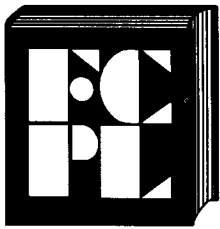
The following expenditures were in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Library Improvement Reserve	2006	<u>\$ 161,636.37</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CLINTON COUNTY CONTRACTUAL PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2008, with Michelle Bradley, Director; and Carolyn A. Sharp, Treasurer. The official response has been made a part of this report and may be found on pages 8 and 9.



FRANKFORT COMMUNITY PUBLIC LIBRARY CLINTON COUNTY CONTRACTUAL PUBLIC LIBRARY

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December 8, 2008

State Board of Accounts
Indiana Government Center South, Room E418
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Indianapolis, IN 46204-2765

RE: "Official Response" to Examiner's Comments
To Audit of 2006 and 2007 Financial Recorders
of the Clinton County Contractual Public Library

My Official Response to the Comments is as follows:

2006 Appropriations – the Library Improvement Reserve Fund was overspent by \$161,536.37. This was an oversight by our former Director and me. It was not intentional.

Thank you for allowing me to respond.

Carolyn Sharp
Treasurer
Clinton County Contractual Public Library

Enclosure

CLINTON COUNTY CONTRACTUAL PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

In 2006, the Library Improvement Reserve Fund was overspent by \$161,536.37.

IC 6-1.1-18-4 states in part: "... the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."